

SECRET - 2 -There is no chlorine industry to speak of in Hungary although there is some limited production in Budapest. The entire chemical industry in Hungary (which requires salt) production in Budapest. The entire chemical industry in Hungary (which requires salt) is limited because there is no native salt in the country. Prior to World War I Hungary had Transylvania with its salt deposits, but following the war that region was taken away from Hungary and consequently the country was deprived of its salt deposits. An electrolytic installation is planned for utilizing electric power from the projected Rakamaz power station on the Tisza River in Northeast Hungary. Production of this caustic soda was planned for fulfilling the requirements of the aluminum industry. Hungarian production of alumina calls for 220,000 metric tons per year, according to the latest plans. Alumina production requires at least 12% caustic soda. or 30.000 the latest plans. Alumina production requires at least 12% caustic soda, or 30,000 metric tons per year of 100% caustic soda. Raw materials for the new larger factory will have to come from Rumania. One of the problems to be solved is the disposition of the chlorine production from the electrolysis works. Most of the chemical industry is located in the Lidapest area. At Petfurdo there is a large plant for several chemical industries which were partly destroyed during World The Petfurdo and Veszprem organizations are now working together. A very fine laboratory and institute is located at Veszprem. The professors are cooperating with the Petfurdo plant for training. No actual factory production takes place at Veszprem, for the plant is used for experimental work. Experiments are performed with nitrogen and the cracking of crude oil. Pilot plant research is also conducted in synthetic gaso-The Potfurdo nitrogen plant will not be expanded. Instead the new plant is being constructed at Borsod. The topography of this region will allow for expansion of this There is only one plant for acid production in Budapest, named the Sulfuric Acid Company. All acids are manufactured there. A new acid plant is being constructed near Szolnok, where sulfurio acid will be produced. Raw material will be supplied from North Africa. 25X1 There are no cellulose factories in Hungary. Hungary once had forests, but those areas are now part of Czechoslovalda. The kraft paper used for packing cement and alumina was imported approximately 1951. This material is now in very Some cellulose is now imported from Slovakia 25X1 The Soviets have encouraged the development of synthetic rubber in Hungary. However, up post of the work in this field had been experimental. There is a small experimental plant not far from Budapest, Solyom Barna Zeltan, located in Budateteny, for the production of synthetic rubber. I G Farben elso produced some synthetic rubber in Hungary. Plans are now under way to produce synthetic rubber from alcohol. Kok Sagyz is only now being acclimatized in Hungary. The work, strictly experimental is carried on near Budapest. 25X1 Benzol, coal tar and light oil products are manufactured only in Fecs, not know in what quantity. At the Budapest Gas Works, where Czech coal is used, butane is separated for the production of bottled gas.

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